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FM AMEMBASSY BUENOS AIRES
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STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC, WHA/EPSC CDR USSOCOM FOR J-2 IAD/LAMA

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E.O. 12958: N/A

TAGS: KPAO OPRC KMDR PREL MEDIA REACTION

SUBJECT: MEDIA REACTION US POLICY ON IRAQ-IRAN; HUGO CHAVEZ;

MERCOSUR; RAFAEL CORREA; 01/18/07

11. SUMMARY STATEMENT

Today's leading international stories include Henry Kissinger's alleged influence on the USG policy on Iraq and Iran; the discussion of Venezuelan President Hugo Chavez' nationalization plans in the framework of the Mercosur Summit; the alleged progress of Mercosur; and Ecuadorian President-elect Rafael Correa's plans to form a South American Nation. Business-financials "El Cronista" and "Ambito Financiero" report that US Deputy Trade Representative John Veroneau announced he will be signing a TIFA with Uruquay next week.

Local dailies "InfoBae," "La Prensa," "El Cronista,", "The Buenos Aires Herald" and "La Nacion" report on a press conference organized by PAS with the leaders of the American Soybean Association (ASA).

12. OPINION PIECES

- "Henry Kissinger's 'shadowy' return to the White House"

Ana Baron, Washington-based correspondent for leading "Clarin," writes (01/18) "The US Congress, public opinion, the Iraq Study Group (led by James Baker)..., and many other Republican leaders have already clearly advised against sending more troops to Iraq. Why, then, does Bush blindly insist on his plan?

"One of the most heard explanations in Washington is related to Henry Kissinger's surreptitious return to the White House. The other one is related to Bush's messianic attitude and his presidential legacy.

"The first one to reveal the meetings between Kissinger and Bush was Bob Woodward in his book 'State of Denial.' Rosa Brooks, professor at Georgetown University, believes that Kissinger's influence can easily be noticed.

"According to Brooks, Bush is aware that there is no possibility of 'winning' the war in Iraq, but by sending more troops, Bush is implementing the same policy Nixon and Kissinger implemented in Vietnam before the 1972 presidential elections. Their purpose was not to win the war but the election.

- "... However, Bush may not be re-elected in 2008. What is at stake in this case is his presidential legacy.
- "Some analysts believe that by sending more troops to Iraq, Bush has decided to be consistent with his convictions in spite of the fact that he only shares them with a small group of neoconservatives...
- "... There is fear that, as happened in 1971 when Nixon said he would not enter Cambodia, Bush already plans to enter Iran."

- "In Rio, Chavez will tell his plans for Venezuela"

Natasha Niebieskikwiat, political columnist of leading "Clarin," writes (01/18) "... Lula and Kirchner expect to hear from Hugo Chavez the extent of his socialist plans, for which the Venezuelan has already announced that he will foster the nationalization of companies. The process has put his two big partners on a state of alert - they are even uncomfortable.

"... For the Argentines, Chavez's statements represent a 'new radicalization stage,' which they do not support. However, it is not the first time that the Brasilia-Buenos Aires axis plays the role of 'keeping Chavez at bay' in the eyes of the Western world. They did so in 2005 during the Mar del Plata Summit of the Americas, and also in Puerto Iguazu, when Lula and Kirchner spoke with Bolivian Evo Morales about his hydrocarbons nationalization legislation, which they saw backed by Chavez.

"Lula has had more 'short-circuits' with Chavez than Kirchner, and this is due to the fact that Caracas and Brasilia compete for leadership. However, Lula and Kirchner have some other reasons to act - the first one is that Venezuela is already a full, wealthy and powerful member of Mercosur.

"The emergence of this seemingly new Chavez has led both governments to permanent reassertions of their willingness to partner with Chavez, and businessmen have admitted that no companies will be affected by the nationalization plan."

- "Concrete progress in Mercosur"

Leading "Clarin" carries an op-ed piece by Carlos "Chacho" Alvarez, head of the Mercosur Permanent Representatives Committee, who writes (01/18) "2006 has undoubtedly been a year of significant progress for Mercosur on the road to the goal of a South American Community of nations. In spite of the weaknesses that the process reveals

(such as structural asymmetries, failure to honor some arrangements and even certain deficit in goals and organizational-institutional design) one can notice unquestionable achievements.

"Politically speaking, Venezuela's entry into Mercosur as a full member;, President Morales' decision to relate to Mercosur in the same standard, although without abandoning the Andean Community of Nations; Ecuadorian President-elect Rafael Correa's announced plans to also become a full Mercosur member; and President Alan Garcia's official appointment of a permanent ambassador to our Committee of Representatives... are all signs of the importance of Mercosur.

- "... In the economic arena, some steps have been taken to lowering the prevailing asymmetries among Mercosur partners...
- "... Today is an exceptional time for Mercosur. We have had more than two decades of continued democracy, our economies have been stabilized and are growing, our leaders have great popular legitimacy and our region has gas, oil, food, water, minerals, biodiversity and human resources. We are also in a marginal area vis-`-vis the scenarios where the main international conflicts occur, and this fact is in part the reason why we are not a top priority on the US agenda.

"In summary, a series of favorable circumstances gives us the opportunity to really lay the groundwork for the integration of our nations and our peoples."

- "Foreign funding subdues countries"

Felipe Yapur, columnist of left-of-center "Pagina 12," writes (01/18) "Ecuadorian President Rafael Correa believes the regional strategy should go beyond Mercosur and the Andean Community of Nations - he bets on the South American Nation.

"In contrast to Mercosur and the Andean Community of Nations, which were formed under a mercantilist view, Correa believes that the South American Nation could be consolidated through integration in the energy, communication and even financial sectors through Banco del Sur. This should lead us to stop being subjugated by multinational lending agencies.

"... Now, the question is what political margin this South American Nation will have when some presidents of the region talk about the Socialism of the 21st century, others say nothing about it and others are against it. Correa said 'There is much more that unites us than what separates us. Even if we have different ideological beliefs, there are some obvious things that we cannot oppose, regardless of the fact that we can be rightists or leftists. For example, who can oppose Banco del Sur? - Only those who want to continue supporting imperialism in our region because foreign funding is a way of placing us under control.'"

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